

Attendees

Peaches Golding OBE	BWCP Chair	Iain McGuffog (part)	Bristol Water (BW)
Tony Denham	BWCP Deputy Chair	Sue Clark (part)	Bristol Water
Jeremy Hawkins	Report Writer	Jim McAuliffe (part)	Bristol Water
Cllr. Michael Gay	Mendip District Council (MDC)	Ben Newby (part)	Bristol Water
Michael Barnes	Consumer Council for Water (CCW)	Toby Woolway	Bristol Water
Dr Tabinda Rashid-Fadel	NHS	Alex Smethurst	Bristol Water
Dr Mark Taylor	Natural England (NE)	Michelle Davies	Bristol Water
Tamsin Sutton	Environment Agency (EA)		
Mike Bell	Consumer Council for Water (CCW)		

Apologies

None received

Minutes

1. In camera session before main meeting	
Minutes are confidential and not published.	
2. Chair update	
<p>The meeting was a teleconference call because of the ongoing Covid-19 situation. Various BW attendees had to leave and join the meeting at various times because of this.</p> <p>Mike Bell (CCW) was able to listen to the proceedings but, due to technical problems, unable to comment.</p> <p>BW had emailed a 48-page slide pack to members in advance of the meeting. These have been placed on the File Transfer System (FTS).</p> <p>The Chair welcomed everyone to the 21th meeting of the Challenge Panel. She thanked everyone for making attending at this difficult time.</p> <p>The Chair particularly welcomed Toby Woolway, BW's new Customer Engagement</p>	

<p>Manager, to the meeting. Toby introduced himself. He has a PhD in sports psychology and experience and knowledge of customer-focused research.</p> <p>BW provided a brief overview of its response to the developing Covid-19 situation. It reported that 10% of staff is self-isolating at present. Plans are in place to deal with increases in the numbers of staff self-isolating and scenarios have been tested. In order to protect customers and staff the company has cut back on non-essential work and home visits, for example meter fitting. Water demand is broadly consistent although a slight drop in commercial demand has been detected. The current situation is a good test of home working solutions.</p> <p>The Chair was surprised that demand has remained consistent, given that the public are advised to do more hand washing. BW replied that Welsh Water has reported a 5 litre per head per day increase in consumption but BW's data shows it distribution input is broadly static at present.</p> <p>The Chair asked if the industry has contacted to Ofwat about the impact of Covid-19 on some of ODIs and on changing customer behaviour. BW said the industry has been lobbying government about business and customers in financial trouble and the impact this could have on revenues and cash flow. The industry will have to have a conversation with Ofwat on this at some point.</p> <p>The Chair said she was pleased to hear that BW has various command systems in place.</p> <p>The Chair reported that she had received briefings and clear explanations from BW's CEO on the reasons for the company appealing its FD to the CMA. The company's concerns are primarily around the small company premium assumptions in the FD.</p> <p>BW has a Board meeting tomorrow. It added that its activities remain 'business as usual' for customers.</p> <p>Finally the Chair noted that the company's new branding looks very inviting.</p>	
<p>3. Minutes, actions and challenge log</p>	
<p>The minutes of last Panel meeting (No.20) were accepted as a true record.</p> <p>The Deputy Chair outlined the current position on the actions outstanding from recent meetings. This position was emailed to Panel members on 24th March. Out of 58 actions, 29 have been cleared, 25 are outstanding. Of these four are to be converted to challenges. Seven should be covered at this meeting. Four should be cleared but others will be carried forward as they relate to the CMA process or will be delayed due to the Covid-19 situation.</p>	

<p>Out of a total of 658 challenges only nine remain outstanding. Many of them are static because of current positions described for actions above.</p> <p>The new AMP period (AMP7) starts in April and new challenge and actions logs will be created. These will include any actions and challenges carried over from AMP6.</p>	<p>Action: Deputy Chair</p>
<p>4. Updates from sub-groups</p>	
<p>The Deputy Chair reported that there had been meetings of both the Customer Engagement Sub-Group (CESG) and the Social Contract Sub-Group (SCSG) since the last Panel meeting. All details of these meetings, including the material presented and the notes taken at each are on the FTS.</p> <p>The Deputy Chair mentioned the following highlights from the CESG meeting:</p> <ul style="list-style-type: none"> • The shadow year C-Mex Q3 score placed BW third in the industry. The D-Mex score for the same period placed BW tenth. There are likely to be some changes in definition from Ofwat. • The latest ICS benchmarking score has elevated BW to third overall and the top utility. BW should be congratulated on this performance. • The latest UKCSI performance has dropped BW to 12th but the scores are very volatile due to the small survey sample. • There have been changes to the format of the Customer Forum and stakeholder survey. These will be reviewed at the next CESG meeting • With regard to the Vulnerability Action Plan update there has been a lot of emphasis on staff training. The Pension Credit campaign has increased the number of customers applying from four to 43 per month. The DWP will now data share with the industry. 	
<p>5. CMA and Covid-19 update</p>	
<p>BW reported that Ofwat has submitted its referral to the CMA but have asked the CMA to extend the timetable by six months (to 12 months) as it has as there are referrals from four companies and the Covid-19 situation will have a delaying impact.</p> <p>BW said it is ready as can be to go through the CMA process. It doesn't see any benefit in extending the timetable. However it has to notify Ofwat of its 2021/22 charges by December.</p> <p>At this point in time BW does not envisage any specific customer engagement requirement as part of the CMA referral but this might change.</p>	

<p>CCW said it wrote to the CMA to ask that the process be pursued vigorously. It referred to the CMA and emailed the link to Panel members during the meeting. CCW has noted there is a single CMA panel dealing with all four companies.</p> <p>CCW asked if BW's CMA submission will be on 2nd April or earlier. BW replied it can't answer this as the CMA timetable hasn't been published yet .</p> <p>The Deputy Chair noted that the FD outputs for 2020/21 will apply until CMA publish its decision. At PR14 BW were not getting the income during the CMA process and that its metering campaign was delayed. This caused problems in rest of AMP6. He asked BW if any similar problems with meeting ODIs are anticipated this time. The company replied that it has planned for a year one financial restriction but has already identified areas to remove costs but not against meeting outcomes. The Board has discussed and agreed discussions isolating a small number of BW personnel who will be dedicated people to the CMA process so as not to risk performance against outcomes.</p> <p>The Chair enquired if Covid-19 will impact on performance against the PCs in 2020/21. BW said it may fall into penalty but negligible. It will update the Panel as the year progresses. CCW asked if these updates will be by email. BW said it would use email for significant updates. The Chair said the Panel and the company will have to judge significance as issues arise. There may be some issues where the Chair, Deputy Chair and Report Writer will need to have specific briefings and there may also be a need to have emergency Panel meetings. There has to be some flexibility but that the Panel expects to be briefed and updated in a timely way. BW agreed to do this.</p> <p>Chair added that the Panel will want reassurance around the security of water assets and that whatever happens with Covid-19 the assets are secure. BW replied that it has restricted access to car parks and picnic areas and sailing activities have been stopped. It has locked down all production sites so access is only permitted for critical personnel.</p> <p>The Deputy Chair asked if there is any indication of the transfer of Covid-19 by water. BW replied there is no evidence of this or of any risk to the public water supply. The DWI advice also confirms this. NHS asked if there is anything additional that can be to enhance water quality. BW replied there is no need for additional water treatment to counter Covid-19.</p>	<p>Action: BW</p>
<p>6. Board leadership and transparency update</p>	
<p>Slides 13 to 18 relate to this agenda item</p> <p>BW presented an update on Board leadership and transparency issues.</p> <p>Ofwat published four principles of good practice in January 2019. These are now in companies' licence conditions. Ofwat cited three areas of good practice shown by BW and</p>	

<p>highlighted one area for improvement – deficiencies in its policy avoiding areas of conflict. BW intends to remedy this with a section in its 2019/20 Annual Report.</p> <p>The Chair enquired if there are any other areas of good practice BW is considering adopting. BW said it is already looking to change the way performance is reported in the next AMP period. It will be expanding reporting on some areas and will also embed the SC further into its annual performance reporting.</p> <p>The Deputy Chair noted that Ofwat had highlighted a general industry issue where companies explain in theory how they intend to do something but then don't always report what they did. BW took note of this.</p>	<p>Action: BW</p> <p>Action: BW</p>
<p>7. Social Contract</p>	
<p>Slides 20 to 29 relate to this agenda item.</p> <p>BW provided an overview and update on its SC programme, its costs, risks to delivery , engagement plans and key dates for the coming year. The SC commences on 1st April this year.</p> <p>The next steps include a Statement from the Panel on the SC programme for 2020/21 (to be tabled during the Board meeting on 26 March) and the agreement of plans for engaging with Panel on the SC over the next 12 months.</p> <p>BW noted that EA had raised some useful comments on stakeholder engagement and the priorities and linkages between them.</p> <p>BW said that Covid-19 is likely to have an impact on the SC with 75% of the planned SC initiatives being put on hold. Some of these would only have been in the planning stage, however. Some won't be delivered at all, for example there will be no water bar this year.</p> <p>NE said it would welcome a discussion with BW on its conservation proposals. Engaging the local community feels lightweight in terms of ecological and conservation enhancement. BW already has an obligation under the WINEP to develop a biodiversity strategy and there is also the PC and ODI on Biodiversity. NE considers the SC could be expanded in terms of creating and expanding habitat to the benefit the local community.</p> <p>BW replied that it appreciates NE's comments but the SC does not represent the complete picture on environment and conservation. It has already agreed to pull all its environmental activities (SC, WINEP and the related PCs) into one plan. It does accept however that there may still be some gaps and it will work with EA and NE on this. Stakeholder engagement is an area for learning for BW.</p> <p>NE asked what sharing its biodiversity approach means, for example is the company going to be informing customers how biodiversity works and the associated benefits that will</p>	<p>Action: BW</p>

<p>arise from the SC? BW said its engagement is more to do with businesses and how they might take biodiversity on board. NE welcomed this but considers that BW could also inform businesses on what it is doing on biodiversity to help businesses understand what they could do as well. BW agreed this would be a good idea and it will consider how to take this forward.</p>	<p>Action: BW</p>
<p>The Deputy Chair referred to slide 23 and asked when the company’s proposed communication programme would be ready so the Panel can see the totality of the environment and conservation programme. BW said it will include more environmental content in the light of the comments received today and will give NE and EA the opportunity to understand the totality of the environment programme. BW will pull a summary together quite quickly for the forthcoming Social Contract Forward Programme 2020/21 publication.</p>	<p>Action: BW</p>
<p>The EA added that, given the priority customers have placed on conservation, there is also an opportunity to make a stronger link with work on climate change and to link this back to the conversation programme. EA would appreciate more discussion with BW on this and will drop BW an email to help facilitate this. BW said they are currently finding their feet on climate strategy.</p>	<p>Action: EA</p>
<p>MDC said that Somerset CC have been working on its blueprint for climate change action. MDC would like to see a link from the SC to this so that BW’s planning is joined up. BW should also consider engagement with other councils. MDC noted that whilst Bristol is a ‘social purpose city’ there are a lot of BW customers outside Bristol. Other social purpose towns and parishes in the area should be contacted in order to widen the process and engage more people. BW welcomed this suggestion.</p>	
<p>NE said it has been in conversation with North Somerset DC. There is much good work going on but it is important that the rights sort of interventions in the right locations are made to avoid inadvertently damaging ecology and biodiversity. MDC agreed with this and will discuss further with NE via email.</p>	<p>Action: MDC</p>
<p>The Deputy Chair said he is keen to see how the LCS survey was carried out. BW agreed to provide the survey details to him off-line.</p>	<p>Action: BW</p>
<p>BW said the SC forward programme will be circulated to the Panel for comment once the conservation initiative has been bolstered. This will be done in the next week or so and BW will require a comments back quickly.</p>	<p>Action: BW and Panel members</p>
<p>The Chair wondered whether the Panel’s SC Statement to the Board should now be delayed in the light of the challenges posed at this meeting. BW replied they would prefer to present the draft Statement to tomorrow’s Board meeting as it stands but that they would inform the Board verbally of the Panel’s environmental and conservation related challenges. The Chair agreed to this but that the Panel will need to enhance the Statement</p>	<p>Action: BW</p>

<p>in due course, specifically on the challenges to the environment and conservation programme areas and on how BW is liaising with stakeholders and different councils</p>	
<p>8. BWCP logo, updated ToR and meeting plans for 20/21</p>	
<p>Slides 30 to 36 relate to this agenda item.</p> <p>The Chair has seen the proposed new logo for the Panel and the Deputy Chair and she have provided further comments on it. BW agreed to make further adjustments to the logo and recirculate it to Panel members.</p> <p>With regard to the Panel’s ToR, the Deputy Chair said that Panel members had suggested some small changes to the wording in the in-camera session preceding this meeting. He will make the suggested changes and circulate another draft over the next few days.</p> <p>The Deputy Chair noted that we have no charity representation on the Panel at present. He has asked members for ideas on how to recruit them. BW said it has one idea for such representation and will discuss this with the Chair and Deputy Chair. CCW noted there was no business customer membership. BW replied such customers are captured in the ‘other local customer representatives’ category.</p> <p>The Chair thanked BW for recognising the time, energy and thought members put into the Panel and for proposing a remuneration package for charities, businesses and independents. NE said that Defra may be looking at how government agencies can continue to attend such forums without charging. This may be an issue for NE to discuss with BW in the future.</p> <p>It is imagined that the future meetings of the Panel in the short term will be conference calls due to the Covid-19 situation.</p>	<p>Action: BW</p> <p>Action: Deputy Chair</p> <p>Action: BW</p>
<p>9. Water company performance reporting and EPA review 2020-2025- Consultation</p>	
<p>Slides 37 to 45 relate to this agenda item.</p> <p>BW presented an overview to EA’s recent consultation on future changes to its Environmental Performance Assessment regime. The presentation covered:</p> <ul style="list-style-type: none"> • The EA’s proposals for the EPA for WoCs • An overview of BW’s response to the consultation • BW’s rationale behind its response to the consultation • The implications of the consultation for customers <p>It was noted that in January 2020 the Panel informed BW that it was minded not to respond to the consultation, but it asked BW to inform members of its response and any implications for customers.</p>	

<p>EA said it has received 30 responses from water companies and three from CCGs. It intends to provide an update to water companies in mid-April this year followed by meetings in late April. There will be further liaison in summer or early autumn.</p> <p>NE commented that there is little in EA’s proposals for looking at whether a company is doing beneficial work with regard to natural capital. EA replied they are looking at the feedback and may take this on board.</p> <p>The Deputy Chair remarked that from a customer point of view BW has made a good point that reporting shouldn’t be just numerical but also cover the risk to customers. The potential issue of the impact of numerous small faults versus one large problem is relevant here. DWI has moved from numerical reporting to risk to customers. EA should consider doing the same thing. EA said all responses all being looked at and it will respond in due course.</p>	
<p>10. AOB</p>	
<p>No other business was discussed.</p> <p>The Chair thanked the company for the material presented at the meeting.</p>	
<p>11. In camera session after main meeting</p>	
<p>Minutes are confidential and not published.</p>	